

UNEMPLOYMENT BENEFITS FOR "UNDEREMPLOYED" WORKERS

An "Underemployed" worker is one who:

- works less than "full-time" as the employer defines that term, and
- earns less in a week than 1½
 times his/her weekly
 unemployment rate



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- The combination of earnings and unemployment benefits payable in the week cannot exceed 1½ times the worker's weekly unemployment benefit rate.



To work out a calculation, let's assume the following:

- The worker's weekly unemployment benefit rate is \$120 per week
- The worker earns gross wages of \$140 in the week.

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Half of \$140 = \$70

Subtracting half the worker's wages in the week (\$70) from the worker's weekly unemployment benefit rate (\$120) gives a reduced weekly unemployment benefit of \$50:

\$120.00 - \$70.00 = \$50.00

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Calculating Unemployment Benefits for Underemployed Workers:

The combination of the reduced unemployment benefit (\$50) and the worker's gross wages for the week (\$140) is \$190:

\$50.00 + \$140.00 = \$190.00

1½ times the worker's weekly benefit rate of \$120 = \$180

 $1.5 \times $120.00 = 180.00



The calculated, reduced weekly benefit amount of \$50.00 must be reduced by \$10.00 so that the combination of the reduced benefit amount and the worker's gross wages for the week does not exceed \$180.00



The result is that the worker could draw a reduced unemployment benefit payment for the week of \$40.00

The reduced payment still reduces the worker's balance of weeks of benefits payable by one <u>full</u> week



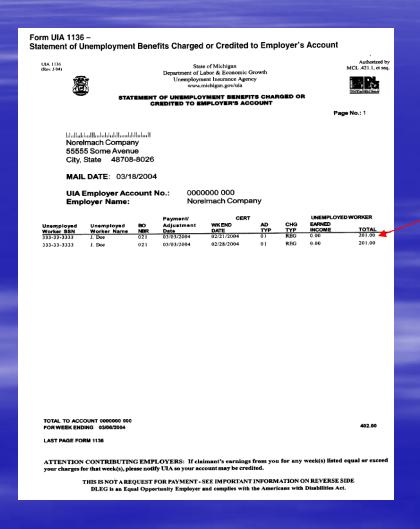
So, an underemployed worker with a weekly benefit rate of \$120 and gross wages in a week of \$140 could be entitled to a reduced unemployment benefit for the week of \$40.

Sometimes an employer <u>chargeable</u> on the claim for unemployment benefits calls the worker back to work part-time while the worker is collecting unemployment benefits.



The Statement of Unemployment Benefits
Charged or Credited to Employer's Account
tells the employer, on a weekly basis, how
much is charged to their account for each
worker.





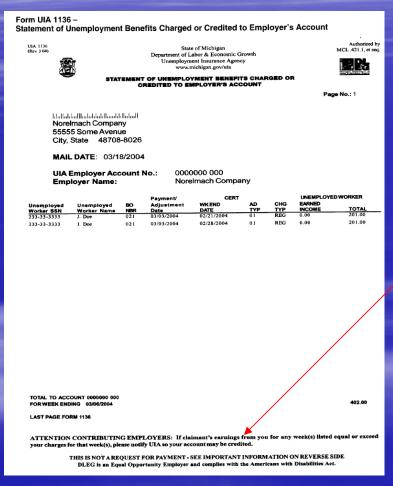
Employer's weekly pro rata share of this worker's benefits



The employer can request a "noncharge" for the benefits otherwise chargeable for that worker for that week if:

- The employer is a "Contributing Employer" (that is, the employer has a yearly state unemployment tax rate)
- There are at least 2 employers chargeable on the claim
- The employer paid the worker at least the amount of the employer's benefit charge for that week





ATTENTION CONTRIBUTING EMPLOYERS: If claimant's earnings from you for any week(s) listed equal or exceed your charges for that week(s), please notify the UIA so your account may be credited.



Notify the Unemployment Insurance Agency of the gross amount you paid the claimant for the week of the charge. Use this mailing address:

UNEMPLOYMENT INSURANCE AGENCY

P.O. BOX 169

GRAND RAPIDS, MI 49501-0169

Or fax the Agency at **517-636-0427**

